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ABSTRACT

The report discusses achievements in Sweden's economic and social reforms which have led to an increase in equality. Intended as Sweden's contribution to the exchange of information regarding social welfare action in developed and developing nations, the report is presented in eight chapters. Chapter I enumerates Sweden's policies of welfare, distribution, and employment during the past four or five decades. Chapter II examines employment and wage policy since 1930 and identifies issues of concern to Swedish trade unions in the 1970s. These include immigration of foreign workers, declining company profits, and the relationship between education and labor policies. Chapter III considers Sweden's medical care system and explains how social insurance has improved health care for citizens at low and middle income levels. Chapter IV describes the effects of increased preschool and adult educational programs on social equality. Chapter V outlines goals and implementation of government housing policies since 1940. Chapter VI appraises the role of taxation in economic redistribution. Immigration is discussed as an example of the Swedish policy of equality in Chapter VII. The final chapter assesses the effects of medical, employment, educational, social welfare, and taxation policies on social equality. The conclusion is that although social and economic reforms have led to an increase in equality, they must sometimes be temporarily suspended in favor of social and economic security. (Author/DB)

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XVIIIth INTERNATIONAL CONFERENCE
ON SOCIAL WELFARE
San Juan, Puerto Rico 1976

Theme of the Conference:
Struggle for Equal Opportunities -
Strategies for Social Welfare Action

SWEDISH NATIONAL REPORT

SP 010 656

Swedish National Report 1976

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INTRODUCTION

by Alva Myrdal, former Member of the Swedish Cabinet

Basic view

The Nordic countries have come to belong to the groups of rich, even very rich nations. They have, as some others but not all of the industrially advanced nations, chosen to try to follow the Principle of Equality in order to share this wealth of theirs with the whole populations in their countries. It is thus fair to present them in a general picture:

> The Nordic countries belong, by traditional methods of estimate, to the most developed countries. Illiteracy does not exist; desperate poverty has long ago ceased to be a pressing social problem; the general standard of health is good; the coverage of rest homes for old people and other institutional care belongs, as regards quantity as well as quality, to the best in the world.
>
> The social security system has considerable broadness; almost all social arrangements cover the whole population, e.g. compensation for periods of loss of income. Everybody has access to free or practically free medical care and stays in hospital; on reaching the age of pensioning everybody has access to a quite ample general old-age pension. All children make use of the comprehensive 9 year school system and a large proportion receive higher education with free tuition and fairly generous scholarships to cover cost of living during their studies, whether they continue studying directly after school or enter at various intervals after some years in the labour market. The whole system is financed by general taxation.

The above statement is largely drawn from the introduction to one of the national ICSW reports, the Danish one. But by and large it holds good for all of the Nordic countries. The reports of the Nordic countries can be regarded as an entity although published separately. Thus this introduction will be common for the reports from Sweden, Denmark, Norway

and Finland.

The most compelling reason for giving a joint presentation of the situation in regard to social welfare in the Nordic countries is the fact that the international public has a strong but non-specific curiosity about the way in which we have been able to transform our societies from the poverty and backwardness from which their populations suffered as recently as at the turn of the century - despite a century long and a fairly rich cultural elite tradition.

From poverty to richness

A large number of people, especially in the developing countries are obviously interested in the ideas held on social welfare policies in the Nordic countries. On previous conferences held there seems to be growing consciousness and desire in many developing countries to follow-up the endeavours made in order to increase the material standard of living by an economic development and to supplement these endeavours by an extensive development of social welfare and family policies. ICSW can be regarded as a useful instrument in this connexion. On the ICSW conferences, there are groups of people assembled who are trying to shape social welfare and family policies at home and who are looking for ideas worth following in different parts of the industrialized world. In general, they are, undoubtedly of the opinion that the social welfare and family policies followed in the industrialized countries should not be indiscriminately imitated. At the conferences, they will come across various shades of social welfare policies. Their acquaintance with American social welfare policies is, of course, the most impressive one, by the traces left by its philanthropy, and its private and public charity. They have, however, also encountered strong incitements from the European continent.

In our opinion, the Nordic countries hold their position in this large sphere. No other countries have, like the Nordic countries, consciously tried to utilize public services as instruments working to achieve social welfare and family policies as well as equality. As to employment and regional planning as well as to physical planning, housing policies, labour market policies and family policies these have been more actively regulated in the Nordic countries than in any other countries. Ample

financial support has passed through the public sector. The medical service as well as the educational system have simply been nationalised.

A number of people abroad regard the evaluation of this Nordic form of social welfare policy with great interest. They would perhaps be especially interested in learning about our experiences as to the series of myths which have spread in some countries about the form of social welfare policy provided by the State; that the social benefits granted and the heavy taxation incurred would cause the disappearance of almost every financial motivation for production; that profit would be cut down to such an extent that capital would go abroad; that production consequently would be irrepararably impaired; the abuse of social benefits, especially of the contributions free of charge in the field of medical care; the sense of resposibility of the individual would be hollowed out by welfare and this would lead to criminality and subversion; not to speak of the suicide myth.

We have felt the need of formulating our attitude towards these myths, seen against the background of the experiences gained through years of experiments in the field of social welfare. I do not mean that we can simply refute the statements of there being problems to be dealt with in our Nordic social welfare policies. An essential part of the problems do not fit into the general conceptions dealt with in these myths. Part of the statements may be true though. As the Swedish report, in particular, will show, there are perhaps certain limits to how far social welfare policies may be advanced in a society of mixed economy, in which the financial motivations are still of central importance for production. The difficulties which assail us in form of environmental problems, inflation and reactions to the burden of taxes will, however, seem comparatively surmountable in comparison to the problems we have, in spite of all, solved.

Self-critizism

The readers of the reports will, I believe, be struck by the fact that they do not only reveal disparities as between the national models but also often a tone of criticism, more rare in official presentations.

But we have arrived at such a fairly satisfactory level of progress and also stability in the social welfare systems as such, that we can well afford to discuss and dispute further reforms. Thus it is first to be admitted that the very striving towards the perfectioning of a system of equality and security for everybody, man or woman, young or old, must meet certain obstacles, in physical conditions, psychological attitudes, financial scarcities and even political opposition - all in degrees but it must all be reflected in the reports.

The discussion is very lively within the Nordic countries, and the reports bear witness to it. Some quite critical essays are included. This is also related to a new tradition which is just about to become established in our social planning, namely to leave room for alternative proposals. "Alternative investigations", "critical planning", "adversary proposals" are beginning to be welcomed also by the authorities. When a Government Commission in Sweden (which I chaired) made the blueprints for how "the future" should be taken into consideration in the planning process, emphasis was laid just on this element of encouraging civic groups as well as academic scholars to make critical inquiries into the same subjects as were being submitted to some official investigations, co-extensive with them or after their completion.[x] Such critical or adversary studies are now also in some cases being financed by the government.

Some conclusions

To draw a summary conclusion as to what the state of welfare, i.e. of security and of equality, in the Nordic countries stands for is wellnigh impossible. There are differences between the countries as is evident from the reports. But the main difficulty is to evaluate security and equality in a society that is not static. Our countries are all alive with dynamic change. And some of the new forces at work may tend to undermine some of the "stabilized" elements in the system - e.g. the increased longevity or the population shifts and not least,

x) To Choose a Future. Stockholm 1974. Royal Ministry for Foreign Affairs in cooperation with the Secretariat for Future Studies, p. 116 f.

the new patterns of immigration.

Already in the report which outline a general policy of equalization for Sweden, the risk was emphasized under the heading "Gaps are changing"; "Growth itself always involves risks of new distinctions. Efforts to create equality must comprise preventive measures to diminish new gaps or to keep them from developing." x)

Particularly true this is, of course, in an area of growing international economic interdependence where our small countries are facing new concentrations of power. The role of the giant multinational corporations is of great importance not only for our getting a share in the export markets but also for the employment possibilities in our countries. Stable employment is the foundation of a secure society.

The summary in the Swedish national report sets out some of the dynamic effects, the net results of which are rarely to be foreseen and often risk shaking up reforms as instituted. The report to begin with summarizes what is the undeniable achievement if measured over the two last generations: "These economic and social reforms, viewed as a whole, have undoubtedly led to an increase in equality. Most obvious are the direct levelling effects of health and sick care, social insurance and tax policies. The vastly improved position of old age pensioners deserves particular mention in this context."

This increased equality of old people is the most visible fact, and of great importance because they constitute such a large part of our long-lived populations. This connects up with another fact, namely that the old are the main consumers of health and sick care which is one of the heaviest sectors in our national budgets.

Here an interesting problem of comparability araises concerning comparisions as well between groups within a country as between countries.

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x) Towards Equality. First Report of the Working Group on Equality set up by the Swedish Social Democratic Party and the Swedish Confederation of Trade Unions. Prisma. Stockholm 1971, p. 20.

The dynamic changes cannot be guaranteed to go unidirectionally towards increased equality. The Swedish report says:

"It can be said then that, at the same time these equalizing economic and social policies were taking effect, certain developments were occurring in society which these policies were neither able nor intended to deal with. Old forms of inequality declined, only to have new ones arise. Old types of insecurity disappeared, only to have new ones appear. Fortunetely, the general level of awareness and understanding about deficiencies in equality and security has risen considerably, in part because of improved education and expansion of the mass media."

I would particularly wish to underline an exemplification made, namely that many reforms have a levelling effect only or primarily <u>when they are first introduced</u>. This means that equality reforms need a constant, vigilant following-up, by studies and analyses on one hand and by wide-awake citizen's groups on the other. Equality can never stay fixed, it must be constantly.

Schematically seen, I would wish that changes in "equality" could be discussed - and preferably measured - as pertaining to three different layers of need satisfaction:

Primarily there is the "groundfloor" of <u>services in kind</u>, in the form of medical and welfare services, school lunches, education - which are free and so equally available to everybody that we can start talking of them as belonging to a "classless society". But they are not accountable as part of individual incomes, thus neither entering in private nor in international comparisons as to how much support is given by society to its people.

Secondly, there is a middle floor, where social insurance schemes and cash benefits of various kinds achieve <u>transfers of sizable sums</u>. They have by and large an equalizing effect, although not to be caught in one simple figure or formula. Particularly when taxation is taken into account these flows in and out of the private families' purses do lead to greater equality.

Thirdly, there is a top-floor where "equality is neither achieved nor stipulated by the governments; <u>personal incomes from work and capital</u>

can thus be quite unequal. It should be quite clear, that there is no ceiling on high incomes, there is no prohibition against becoming rich in the Nordic countries - a myth that perhaps needs repeated killing. However the trade unions have here by following their principle of "solidarity wage policy" been able to move towards a considerable equalisation - within the frame of an amibitious full employment policy - through raising the wages of the low income earners.

THE STRUGGLE FOR EQUAL OPPORTUNITIES - THE SWEDISH EXAMPLE

Chapter 1 Introduction and background

by Per Holmberg, Graduate School of Social Work and Public Administration in Stockholm

1.1 Subject and contents

The struggle for social and economic equality in Sweden is the main subject of this report. To help clarify how this struggle has evolved, a brief historical summary of the country's economic and social development is presented first. An attempt is also made to specify the level of knowledge, socio-political outlook and definitions of equality current in Sweden in the 1970's.

With this as the starting point, the main section of the report proceeds to an account of the most significant aspects of Swedens's welfare and distribution policies. Emphasis is placed on the past four or five decades. The political consequenses for some particularly significant polulation sub-groups are next discussed. Finally, the report is summarized with some preliminary answers to the question: what can we learn from the Swedish example?

1.2 Economic and social development

Sweden's population passed 2 million in the 1760's, 4 million in the 1860's, and 8 million in the 1960's. Up to 1820 the annual death-rate was equivalent to 25-30 per thousand. From 1820 to 1940, the death-rate gradually decreased to about 10 per thousand, where it has since remained. The annual birth-rate stood at 30-35 per thousand until the 1880's. Then it gradually decreased to about 14 per thousand during the 1930's. After a temporary increase during the 1940's, the birth-rate has stabilized at the 1930's level.

During most of the nineteenth century then, the death-rate decreased substantially, while the birth-rate remained at a high level. One consequence of this was more and more widespread poverty, especially in the rural areas. Toward the end of the nineteenth century there was a sharp increase in migration to the towns. In addition, from 1860-1930 over a million Swedes

emigrated, primarily to the USA. From an economic point of view Sweden was an "overpolulated" country during most of the nineteenth and the beginning of the twentieth centuries.

The Swedish economy was transformed completely during the nineteenth century through a series of land reforms at the beginning of the century and through the process of industrialization begun in 1860. The purpose of the land reforms was to create larger and more efficient production units. At the same time, however, this caused a sharp increase in the number of rural dwellers owning no property. Industrialization was supported by a rising demand from the rest of Europe for Swedish wood products, paper products, ores and metal products. Partly with the help of substantial foreign capital exports to Sweden, which continued until World War I, the Swedish export industry expanded greatly. Of the total population in 1850, about 80 % supported themselves by agriculture and forestry; by 1900 this figure had declined to 55 %. In 1850 about 10 % of the population was dependent on industry and handicrafts; this figure increased to 28 % by 1900. In 1850, 10 % of the population lived in towns - in 1900, 25 %.

During the first three or four decades of the twentieth century, the transformation of Sweden from an agricultural to an industrial society was completed. The Swedish export industry, more than 80 % of which involved wood and metal products, continued to experience increased demands from even more industrialized countries. Alongside this, there developed a Swedish home market for such goods as food, textiles, clothing and building materials.

Industrial expansion since World War I has been financed almost entirely by domestic capital and means, i.e. by rapid technical development, electrification and extended railway communications. This expansion was facilitated by a plentiful labour supply from the shrinking agricultural sector, which due to greatly increased efficiency produced more and more with fewer and fewer workers. During the early 1930's, the number of wage-earners engaged in

manufacturing for the first time exceeded those in agriculture and forestry, and the number of poeple living in urban areas exceeded those in rural areas.

Considerable poverty existed among agricultural and industrial workers until the 1930's. Because of a consistent free-trade policy and a large dependence on foreign trade, the ups and downs of the international market situation had a great impact on Swedish prices and salaries and on intermittently severe unemployment. The abundant labour supply meant that even when the economic climate was good unemployment remained at a high level. The chances to raise workers' wages under such conditions were poor.

The labour movement, consisting of both trade-union and political activities, began to grow in the 1880's and 1890's, but in 1909 it was hit by a strong back-lash in connection with an unsuccessful general strike. Not until the late 1910's and early 1920's did it first become possible to organize successfully the growing number of workers' groups. Around 1920, under pressure from the labour movement, universal suffrage was pushed through and the 8-hour work-day was established. Partly because of the low level of participation in parliamentary elections, however, the newly-won right to vote did not give the labour movement the political strength that was expected until the 1930's. That meant that until the 1930's workers were at a political disadvantage in their struggle for wage increases, employment and socio-political progress.

The great depression of the 1930's took place in a still not wholly industrialized Sweden. When a Labour Government came to power during the depression, its main goal was to <u>decrease unemployment</u> in both the short and long term. With support from the farmers, who had begun during the previous decade to organize strong production co-operatives, the new Labour Government was able to launch an active employment policy. That meant above all a transition to protectionism within the agricultural sector, deficit financing and an increase in housing and other investments. During

the 1930's, exports no longer increased. But a rise in domestic demand helped to bring about the end of the depression.

Since the 1930's, poverty in Sweden - in the absolute sense - has been abolished. Protectionism has remained a part of agricultural policy, complemented by extensive efforts to increase efficiency. Farmers with ordinary well-managed farms have been guaranteed the same income as industrial workers since the 1950's. Now, in the mid-70's, about 5 % of the labour force works in the agricultural sector. Industry has continued to expand, primarily because of its traditional emphasis on exports, but from the mid-60's there has been some decrease in the number of jobs in industry.

Sweden, therefore, has for several decades now been in what is sometimes called a post-industrial period of development. Since the 1950's, the public sector - mostly as a result of educational and health-care reforms - has accounted for a rising share of the total employment. In the mid-70's at least 25 % of the total employment is publicly employed. The figure was barely half as large in the early 50's. The adjusted gross national product has, like the real wages for industrial workers, increased about 150 % per capita per year from 1945 to 1975. In addition to this increase in material prosperity, there have been other gains since 1945, i.e. the general four-week vacation and 40-hour work week, general child allowances and comprehensive health, maternity, pension and dental insurences. Since World War II, the level of economic and social well-being in Sweden has advanced to the point that it is now the highest in Europe and perhaps higher than in North America as well.

In the mid-1970's, over 80 % of the population lives in urban areas. There has been extensive immigration since 1930 so that now about 2/3 million, out of a total population of over 8 million, are foreign-born. From the 1940's there has been "full employment" as measured by international standards, i.e. unemployment of no

more than 1-2 % of the total work force. Not even during weak economic periods has unemployment exceeded 3 %. Along with urbanisation, full employment, educational reforms and a continued low birth-rate, there has been a significant rise in the number of married women in the work force. In 1950 fewer than 20 % of all married women from ages 18 - 66 were gainfully employed. By 1975 the figure (including part-time workers) had risen to about 67 %.

1.3 Knowledge about social conditions

Knowledge about social conditions in Sweden has increased greatly since the mid-1960's. Through a series of studies, facts have been gathered about the situation among various population subgroups with respect to such significant welfare components as economy, health, housing, employment, education, etc.

Among those studies contributing to the increase in knowledge of social conditions, particular mention can be made of the governmental Low-Income Commission reports, which were issued during 1970-71. By means of representative sampling techniques, the Commission has mapped the social conditions of various subgroups defined by age, sex, civil status, geographical area and socio-economic position, using the "level of living" criterion worked out in 1954 (and revised in 1961) by a UN-sponsored international group of experts.

During the early 1970's further social studies have been made of particular groups such as immigrants, inhabitants of sparsely-populated areas, pre-school children, school pupils, and recipients of social assistance. Studies have also been made of particular welfare components such as housing, employment, work environment, and youth and adult education. Just now the Statistical Central Bureau, together with Stockholm University's Institute for Social Research, is working on developing a system for publication of regular "social reports" through which changes over time in the

living conditions of various population sub-groups can be followed in greater detail.

Despite such reports, knowledge about the consequences of implemented social policies is limited. Evaluations of the effect of political reforms on equality, for example, are still uncommon, although it must be noted that certain studies of this sort have been made during recent years regarding educational policy and labour market policy. What this means is that socio-political and other reforms are as a rule founded primarily on hypotheses of a tentative and pragmatic nature.

1.4 The development of today's socio-political outlook

The present socio-political outlook has evolved under pressure from economic, social and political development. This development has occurred in three stages. In pre-industrial Sweden - up to the second part of the nineteenth centry - social politics was dominated by the increase of widespread poverty. In the struggle against this poverty, the state remained passive and responsibility fell on the churches and municipalities. During the period of industrialization, from the 1860's to the 1930's, the area of socio-political action widened until it even included "the labour question". Demands and efforts were directed toward improving the situation among the growing number of workers with regard to work times, unemployment, living conditions, work injuries, sickness and old age. Through united political and trade-union efforts, a national policy - though an entirely inadequate one - was established at this time. Since the substantial completion of industrialization - i.e. since the 1930's - the central question for social policy has been how to reach and maintain full employment. Full employment has in itself brought about social security; it has also been the most effective means for achieving economic growth and with it the resources for comprehensive reforms in such areas as social and educational policy.

It was during the second of these three stages of socio-political development that questions of equality came to the fore. The fight against widespread poverty was not in and of itself the result of any striving toward equality. Rather it was the expression, both of a religiously and ethically motivated reaction against serious deprivation, and also of the authorities' long-standing effort to eliminate begging, vagrancy and so on. It was first through "the labour question" that social policy became a political issue and was seen not as social technology but as the result of voting laws, political organization and political struggle. In this period of organizing and struggling, the issue of equality was an essential driving force.

In Sweden, full employment has been regarded as the most obvious and least controversial concrete step in the direction of economic and social equality. The transition from widespread to low unemployment was naturally of greatest benefit to the weak and unprivileged. Not only did full employment obviously reduce poverty, it also reduced the weakness of the working class in its struggle with employers over improved wages and working conditions. Moreover, full employment led to a high demand for companies' products, to investments and introduction of modern techniques, and therefore to increased scope for real wage increases and social reforms.

When full employment was reached in Sweden in the late 1940's, many politicians and social researchers supposed it would more or less automatically mean continuing progress toward economic and social equality. It was believed that labour unions - through their secure employment situation and strong organizations - should be able to continue successfully the struggle for equality. The chief goal of social policy in such a context was thought to be to secure for non-wage-earning groups such as children, the sick and the elderly a rising standard of living in step with that of wage-earners. Accordingly, the 1940's and 1950's saw the beginning of such programs as general child allowances, housing reforms and obligatory health and pension insurance with income-related benefits. In addition, nine years of basic schooling was made mandatory and a strong program of care for the sick and

the elderly was started. During the 1940's and the 1950's the struggle for equality was therefore focused on guaranteeing "passive" population sub-groups a raised living standard at least equivalent to that of the "active" population.

In the early and mid-1960's, however, one could observe indisputably that continuous full employment, which had indeed been achieved, did not automatically mean economic and social equality among wage-earners. Full employment itself does initially lead to substantial equalization. But afterward, in a predominantly market-oriented economy, it happens that the greatest chances for further advances go to those employees and employers with the greatest resources. Incomes and opportunities increase faster for these people than for those with limited resources. There had been an equalization during the 1940's but from the late 1940's to the early 1960's, there occurred a certain widening of the income gap between men and women, between blue-collar and white-collar workers, and also among those in different geographical areas and different occupations. This widening gap occurred alongside the equalization resulting from security against unemployment, sickness and old age. Against the background of these conflicting developments, it becomes very difficult to say whether the levelling process as a whole came to a standstill or continued during this period.

Since the mid-1960's, a re-orientation of socio-political views and efforts has taken place. Increased attention is now being given to the formulation of the trade unions' wage and other policies. A wage-equalizing union policy has been evident since the late 1960's. Legislation and other public measures are now thought necessary to facilitate those union activities which have equalizing effects. Furthermore, as part of a social policy emphasizing equality, the role of education and the situation of children has received greater attention. There are also increased efforts to equalize employment opportunities and public services in various geographical areas.

What is characteristic of this new orientation in the socio-

political outlook is a strong belief in and positive assessment of the possibilities for consciously altering people's economic and social situations through political actions. The succes since the 1930's of the policies to achieve and maintain full employment, and the experiences with many kinds of socio-political reforms during the 1940's - 1960's, give support to this lofty interpretation of "political rationality". Regarding the prospects for social policies to contribute to further equality, it seems that the new orientation of the last decade involves a somewhat more modest attitude and a recognition of the limited effects of these policies. The current view seems to be that only through a broadening of the traditional socio-political concepts and through a more active interplay between traditional social policy and other policies can further progress in the direction of equality be achieved.

1.5 Definition and goal of equality

Equality does not mean that poverty, want and deprivation are abolished from a society. Equality does not mean that "everyone is equal" in the sense of having the same level of material well-being, or the same occupation. Equality does not mean that society can give second place to the aspirations for freedom, security and culture.

In the position paper "Equality" adopted at Sweden's Social Democratic Labour Party Congress in 1969, it is pointed out that equality must be a product of both free choice and solidarity (i.e. collective responsibility). Free choice means that each person shall have genuine opportunities throughout his life "to develop his individuality, cultivate his personal interests, develop his own life style, and thereby contribute to the variety and diversity of society". Solidarity guarantees this free choice and makes it universal. Solidarity makes demands on all people in all aspects of life to deal with each other and regard each other as equals. Free choice and solidarity both are conditons for and

give rise to true democracy.

This fundamental vision was shared by the Social Commission, a state parliamentary committee, whose 1974 report suggests the main goals for Swedish socialwelfare. The report makes a distinction between equality of opportunities on the one hand and equality of achieved living conditions on the other hand. A crucial difficulty with the idea of "equality of opportunity" is said to be that identical opportunities remain an illusion as long as children's initial opportunities in life reflect differences in their parents' situations. The greatest problems with the idea of "equality of achieved living conditions", according to the report, are the "innate" differences between people's physical and psychological resources and also the dominant tendency in the economic-social system to reward "successful" people. The Social Commission suggests - after this incomplete analysis - that one of the main goals of social policy should be equality in achieved living conditions.

Questions about equality have in recent years been discussed not only in connection with social welfare but in connection with other public policies as well. On the level of principles, the discussion has increasingly been shaped along the lines just described. The debate over equality has been made more concrete by the re-orientation during the 1960's of the trade unions' wage policy. The unions, which now include about 80 % of all Swedish wage-earners, have after a lengthy debate over the so-called "solidarity wage policy" increasingly concentrated on special efforts for improving the conditions of those with the lowest salaries and on shrinking the traditional salary gaps.

1.6 The goal-reality gap, some overall questions

The policy of equality in Sweden, as is evident from the preceding discussion, has been characterized in the last decade by more precise goals, a deeper understanding of the social realities and

a partial re-orientation of the socio-political outlook. These changes influence each other and together provide a basis for an expanded social consciousness among ever widening circles of people. The gap between goal and reality in the realm of equality is now more apparent than it was earlier. For this reason, it is understandable that one often overlooks the fact that considerable economic and social equalization has taken place during the past 40 years.

This increased awareness places greater demands on explaining why this equalization process has not proceeded even faster during the past decades, and on developing strategies for a future policy of equality. If one looks back, one can find good reasons to ask some important overall questions.

One such question involves how a more and more complex and comprehensive public program, with more and more specialized branches, can avoid internal conflicts because so-called "sub-optimizations" (i.e. efforts to achieve sub-goals) run the risk of taking precedence over a total view of the situation. What does it mean, for example, from a more all-encompassing view of equality, to work for women's equality with men by means of more employment opportunities, educational reforms, and a union policy of wage equalization, if at the same time deliberate and adequate efforts are not made to expand child- and elderly-care, to put new emphasis on housing plans, etc. - and if attention is not paid at the same time to the risks for more divorces and to men who can not function socially? What does it mean, for example, from the standpoint of equality, to lengthen the period of obligatory schooling for children and youth, if one does not at the same time deliberately and adequately improve living arrangements, study allowances, adult education, and employment opportunities in neglected geographical areas? And how shall immigration, which was caused for many decades by lower unemployment and higher salaries in Sweden than the rest of western Europe, be controlled so it leads to equalization internationally as well as within Sweden? The longer a policy of equality is pursued and the more sophisticated the instruments of this policy become,

the more co-ordination is required among the various branches and the greater the need to adapt to the experience gained and to the ever-changing conditions. In Swoden for some years now, there has been an effort in analyses and strategy discussions to take a more comprehensive perspective, and to view the contents of and institutions for a policy of equality as an integrated whole.

While these problems discussed above depend primarily on shortcomings in what can be called "social technology", there are a number of other problems which are more obviously political in nature. That it to say, a number of problems arising in connection with welfare and equality policies are basic symptoms of differences in political power and of the urgency of further political struggle. These power differences are explained in part by the fact that the political power in Sweden to a large extent lies in other hands than the economic power, since about 90 % of the country's manufacturing industries are privately owned. Political power differences appear even in union politics, where unprivileged groups have substantial conflicts of interest both with employers and with more privileged employees. These conflicts in large part still remain to be resolved. Moreover, other power differences are obvious, for example in connection with immigrants and their ability to assert their interests. The same applies to many other groups which fall outside the normal social framework and have legitimate demands for priority attention in the policy of equality.

The National Low-Income Commission summed up what is involved in this question with the phrase "political poverty". By this is meant the difficulty or impossibility in a policy of equality to embrace groups which have no rights or which do not know or make use of their rights. This political poverty also implies being, or being kept, outside of various types of political activities through which a person can control or influence his own life. How this political poverty, in a society such as Sweden today, can be diminished and if possible abolished constitutes

a central but difficult basic question. In practice, it is a question of increasing political activism on the part of the most unprivilieged and politically passive citizens in the country.

Chapter 2 Employment and wage policy

by Per Holmberg, Graduate School of Social Work and Public Administration in Stockholm

2.1 From an unemployment policy to an employment policy

Before the 1930's there was no "employment policy" in Sweden. The many people who were unemployed had to depend primarily on municipal public assistance for their maintenance. In the early decades of the 20th century, municipal labour exchanges were set up in the larger towns to try and find jobs for the unemployed. In addition, a limited national emergency work program was started in the 1920's, but jobs were usually located far from where the unemployed had their homes and the wages paid were considerably lower than the lowest market wages. According to the prevalent outlook among politicians and economists at that time, unemployment was above all a symptom that wages were too high. Nevertheless, despite the fact that during the 1920's and early 1930's trade unions were periodically forced to accept wage cuts, unemployment did not decline.

It was primarily due to its employment policy program that the labour movement in 1932 won the support it needed to take over political power in Sweden. This program involved switching to an expansive finance policy which combined a deliberate national budget deficit with such general stimulants to increased employment as government farm supports, housing investments, industrial orders, expansion of maternity and pediatric clinics, etc. Municipalities were required to operate labour exchanges. The earlier emergency work program was replaced with an expanded relief work program, under which workers received normal market wages. The trade unions' unemployment funds were increased through greater government support.

The Swedish economic program of the 1930's was theoretically anchored in J. M. Keynes' ideas about full employment. In keeping with these ideas, wage increases - not decreases - were regarded as one means of achieving a higher level of

employment. This provided the basis for the trade union wage policy in the 1930's.

2.2 From an employment policy to a labour market policy

During World War II the existing National Unemployment Commission was replaced by the the National Labour Market Commission, whose chief assignment at the time was to relieve the labour shortage that came into being during the war. This shortage continued - to the surprise of many - even after the war ended and was one of the motives leading to the decision in 1948 to transform the National Labour Market Commission into a permanent government body, the National Labour Market Board (arbetsmarknadsstyrelsen or AMS). Nearly half of AMS's budget, which at that time was a scant 1 % of total government operating expenses, went to support the National Labour Exchange. The former municipal labour exchanges were discontinued and private labour exchanges forbidden by law. In addition, AMS's resources were used for such programs as assistance to handicapped workers.

At the end of the 1950's, when the first significant international recession since World War II occurred, the activities of AMS expanded greatly. The ideas that underlay this expansion had evolved during the 1950's within the Swedish trade union movement. A new type of employment policy was introduced, which was adapted to the demand of suppressing inflation but without infringing upon the freedom of the trade unions to pursue an active wage policy. This new policy aimed at maintaining full employment in the country not only by means of general credit and finance measures, but also by means of a more selective labour market policy. This selective approach was to be applied especially to those sections of the labour market where unemployment was already high or ran the risk of becoming high. It involved above all a program of national support, directed to particular industries and geographical regions, for the purpose of avoiding unemployment. The support to industries was made flexible with regard to the economic situation, while

the regional support was concentrated to certain so-called support areas, particularly in the north of Sweden.

The change-over from a general employment policy to a selective labour market policy meant that AMS's expenditures rose from barely 1 % of the national budget in the late 1940's, to slightly less than 4 % around 1960, and to just over 7 % in the early 1970's - a figure corresponding to almost 2½ % of the gross national product. Among the AMS activities, which have expanded the most, mention can be made here of retraining and training courses which in the seventies can yearly admit about 150 000 people, 3 - 4 % of the total labour force, relief work for those who have special difficulties in getting jobs, and employment of handicapped workers. From the mid-1960's, moreover, loans and grants for the establishment or expansion of businesses in the so-called support areas have been substantially increased.

2.3 The relation between labour market policy and wage policy

The selective labour market policy dating from the late 1950's involved a shift to a less inflationary general economic policy. Because of this, the need for a national "income policy" directed toward restraining trade unions in regard to their wage demands was reduced, and the freedom of unions to pursue a wage policy without government interference could more easily be maintained - in contrast to the situation in a number of other Western European countries.

The most interesting point to consider in this connection is how the Swedish trade union movement actually took advantage of its freedom of action in matters of wage policy. In connection with the new labour market policy, the unions began in the 1960's to put into effect the so-called "solidarity wage policy". What this policy means is that wage-earners with the same or equivalent jobs are to receive the same wages regardless of an employers's profit situation and regardless of the wage-earner's sex, age, length of service, education, etc. In the case of dissimilar

work assignments, wages have of course to be different, but these differences are to be reasonable, and especially large wage increases are to be demanded for those with the lowest wages.

This solidarity wage policy was adopted first and foremost for the purpose of levelling out the wage gaps between men and women in the labour market. In 1960 the average hourly pay of female industrial works was 30 % less than that of males, but by 1975 this gap had been reduced to 15 %. Subsequently, the policy has been applied to improving the situation of groups with traditionally low earnings such as those employed in shops, restaurants, hospitals, nursing homes and the social welfare field, and, in the textile, food and wood industries.

Since the late 1960's, therefore, a marked equalizing of wages has occurred. In the process of pursuing this goal, the selective labour market policy has been an essential instrument for finding employment, through retraining etc., for those who have lost their jobs because their employers could not successfully cope with the solidarity wage policy. This policy has been and still is especially hard on companies and industries with low or non-existent profits. In such cases, businesses have been forced to an increasing extent to shut down or reorganize.

From the point of view of the trade unions, the solidarity wage policy and the new labour market policy have been closely related to each other. The proportion of low wage-earners has shrunk and the number of wage-earners dependent on such income supplements as social assistance has been reduced. The solidarity wage policy has of course meant that some employees and employers have lost their jobs - temporarily. Still, problems of maintenance and employment have normally not been solved through traditional social assistance but with the help of active labour market policy measures for providing new and better-paid jobs. There is indeed no doubt that both the wage policy and the labour market policy have achieved a relatively important economic and social levelling

in Sweden since at least the mid-1960's.

2.4 The limitations of the labour market and wage policies

No systematic avaluation of the labour market policy or of the wage policy has yet been undertaken. In recent years, however, a lively debate has been going on concerning the effects of both of these policies, their future lines of development and their co-ordination with other policies. Involved in this debate is the matter of the gradual rise in ambitions regarding full employment and socio-economic levelling which occurs precisely because of successes in these areas.

Among the issues discussed in the early 1970's, three shall be mentioned here. The first involves the immigration of foreign workers. According to various studies, the pattern of immigration has made it more difficult to pursue both an economic stabilization policy and a wage equalization policy. In periods of good economic conditions in Sweden, immigration has a rule increased greatly, which in its turn indirectly raises the economic level further. Moreover, most immigrant workers hold particularly low-paying jobs, and it becomes difficult to raise the wages for such jobs because of the increase in the manpower supply through immigration. Without some kind of international regulation of the migration of workers between different countries, these negative aspects of immigration can hardly be avoided.

The second area of discussion involves the connection between labour market and wage policies on the one hand and educational policy on the other hand. During the last 10 years young people with relatively little training have experienced greater and greater difficulties in finding jobs. At the same time - and in part as a contributing factor - the great expansion of higher education has made it more difficult for the increasing number of well-educated youth to find work suited to their edicational background. In a parallel development, more and more middle-aged and older people are taking advantage of adult education opportunities so that the gap between themselves and the younger

generation is not widened. The directions education follows together with the nature of the labour supply and of companies' demands for labour are all governed by a time-lag from earlier periods in the employee organization and wage-structure of companies. This time-lag has among other things led to a flight from manual labour and a downward pressure on the relative wages paid to well-trained personnel. Strong arguments exist in this regard for a further equalization of pay and status among different groups of employees. Without such equalization, it will be much more difficult for both the labour market policy, and the educational policy to function successfully in the future.

The third main topic for debate in the 1970's in the area of labour market and wage policies concerns company profits. During the 1960's and the early 1970's, the profits of Swedish companies declined. It is impossible to give a definitive explanation for this decline in profits by pointing for example to the solidarity wage policy, or to more intense international competition, or something similar. It is likewise impossible to say if it has been this decrease in profits or something else such as the new labour market policy which has indirectly been responsible for the fact that since the mid-1960's private enterprises have increased the "elimination" of workers and decreased the hiring of new people. Regardless of the answers to such questions, company owners and employers have for a number of years emphasized that one of the most important conditions for continued high employment in Sweden is a rise in their profit level.

From the point of view of the trade unions, on the other hand, such arguments can be vigorously opposed because they would lead to increased gaps in income and wealth between company owners and wage-earners. In 1975 a recommendation was put forth by the trade unions to initiate a system under which some part of a company's profits each year would be turned over to a collective "employees' fund". The purpose of such a system would be to facilitate the solidarity wage policy, accelerate the equalization of income and wealth and avoid having a company's future investment activity influenced by a one-sided

focus on profits, as has been the case up to now. The question about company profits and employee funds will surely be one of the great political issues in Sweden during thr remainder of the 1970's.

The three discussion areas mentioned here serve to illustrate how the interconnections between the realities of the employment and wage policies introduced in the 1950's have gradually led to new and even more complex problems. At the same time, there is a better and better understanding of the limitations of these policies if they are pursued independently of each other and of other policies. It is now obvious that the framing of labour market policy greatly influences the implementation of wage policy and vice versa.

Furthermore, it is also true that the labour market and wage policies not only influence each other but also must be closely co-ordinated with other matters, such as solutions to the immigration problems, the development of ecucational programs, and the role of company profits in society. Now that an economic distribution policy has begun to be pursued more systematically than ever before, the need increases for a widened perspective and a comprehensive point of view in managing the development of employment and wage policies. A number of other socio-political action areas are obviously indirectly affected by this widened perspective and more comprehensive viewpoint.

Chapter 3 Medical care, welfare and social insurance

by Per Holmberg, Graduate School of Social Work and Public Administration in Stockholm

3.1 Medical needs and problems

If the death-rate is taken as an indicator of the state of health - and the extent of unsatisfied medical needs - then the health of the Swedish people improved steadily from the 1830's to the 1950's, with the infant death-rate continuing to decline even after the 1950's. Formerly it was the poorest people who had the worst health, but it is also the poor whose health has improved the most markedly. This improvement has come about primarily because of a rise in the general standard of living - i.e. better food, housing, environment and re-creational opportunities. Such "preventive" measures have played a key role, but in addition the expansion of resources for health and sick care has particularly benefitted those who are poorest. Studies of the death-rate and of patterns of illness were made around 1970, and they indicate that the highest frequency of poor health occurs among the lowest - and high - income groups, while the people with the best health are those at the middle-income level or just above.

In the case of wage-earners, full employment and income levelling since the 1930's have had obvious health benefits. On the other hand, however, health risks have increased at many work places because of the introduction of new raw materials, pigments, machines etc. During the 1970's the trade unions have intensified their demands for improvements in the work environment and have pushed through stricter laws concerning noise level limits, the presence of certain gases etc. Outside of work, the increasing prevalence of cars and smoking has had unfavourable effects on health and problems involving traffic accidents, cancer risks and so on have received a great deal of public attention for some years now.

For those people not employed, the health situation has changed character during the 20th century. Relative to the population

as a whole, the number of children has decreased as a result of declines in the birth- and death-rates. Industrialization, urbanization and new family patterns have meant gradually increasing demands from both the young and the aged on society's medical and welfare resources. Because more people - especially women - are gainfully employed outside the home, children and the elderly have fewer spontaneous contacts with adults who can care for them. Among other things this has caused new and greater problems for the young and the old, when they are ill. The sharp increase since 1960 in the number of people who are pensioned early can be understood partly as a consequence of more favourable pension regulations, but partly also as indication that health problems and need of welfare services arise even among people in active age-groups as a result of urbanization, new family patterns, etc. During this century, the need of care and assistance has been influenced even more by social changes than by pure health reasons.

3.2 Development of the health and sick care and the social welfare system

Until the beginning of this century, municipalities were responsible for most of society's health and sick care as well as social welfare. Municipal poor relief, largely run by the church and complemented by private charity, had at its disposal until the middle or end of the 19th century rather substantial resources. Besides temporary or permanent support to the poor in money or in kind, there was also sick care for the indigent, care for orphans and for the aged and the "mentally sick" without relatives, some elementary education for children of the poor, and provision of more or less dreadful jobs for poor people who were unemployed but capable of working.

These programs had their clear boundaries, for example through the requirement that a municipality could for the most part only give support to local residents. Moreover, as a rule, the municipality had less resources where and when the need was the greatest.

In the case of medical care for the poor, resources were expanded around the end of the 17th century through the provision of state-

employed district doctors throughout the country. In the mid-18th century, moreover, some state hospitals were established, primarily for the purpose of training doctors.

In the mid-1800's an obligatory primary school was established and during the end of the century the newly created county councils (landstingen) built up, a mainly tax-financed medical service for in-patient medical care and a network of district public health nurses and medwives throughout the counties. Besides this, the state retained responsibility for providing district doctors and also built a number of mental hospitals. In the beginning of the 20th century the state also took on the responsibility for a growing number of institutions for treating alcoholics.

The role of municipal poor relief was reduced because of the above-mentioned reforms in education and medical care, which gave greater responsibility to the state and the counties and moreover were directed to the whole population, not only to the poorest. At the beginning of the 20th century, however, poor relief or public assistance acquired certain new responsibilities, primarily regarding foster-children and juvenile delinquents, but also for treating alcohol misusers outside institutions. Public assistance during this century has for the rest been characterized by increased efforts to provide care for the aged.

In the late 1950's municipal public assistance, preferably given as cash support, changed the name to social assistance according to a new law. One main aim was to give instant help, when social benefits are not yet available or when such help is not quite adequate. After the 1950's the expansion of the municipal social welfare system has primarily involved preschools, free time activities for youth and the elderly, and home help for families with children and the old. These activities are intended to serve not only the poor but all residents regardless of income.

Within the area of health and sick care, a large number of baby and maternity clinics were established throughout the

country during the 1930's. These clinics are now used by about 95 % of all pregnant women, new mothers and their babies. In the mid-1950's a general health insurance system was established under which all citizens are assured free hospital care, subsidies for medicines and an allowance when sick. Sick allowances include a basic payment which is the same for everyone, plus an income-related supplement for wage-earners. The system also includes maternity insurance, recently changed to "parent insurance" which pays an allowance to either parent to care for a baby for 7 months in connection with childbirth, and also compensates a parent for wage losses due to caring for a sick child. In the early 1970's all pharmacies were taken over by the state and in 1974 health insurance was complemented with dental insurance.

During the 1960's and 1970's, the state program for supplying provincial doctors and state psychiatric care ended, and these responsibilities were taken over by the county councils. There are three types of hospitals in existence today. The first group consists of nine regional hospitals with about 1 000 beds each for acute care; these hospitals provide at least 30 different kinds of specialized medical care. A second group consists of 24 county hospitals, with 500 - 1 000 beds each and some 15 - 20 medical specialities. The third group includes about 70 smaller general hospitals for acute medical care.

Many other small hospitals and nursing homes for long-term care have been built during the last few decades. Psychiatric care is still privided at about ten large, old mental hospitals, but is gradually being co-ordinated more and more with other medical care. Finally, medical care is also available at outpatient clinics connected with general hospitals, and at doctors' offices, district nurse centers, baby and maternity clinics, and psychiatric clinics for children and youth. During the last years a strong venture has been made by developing locally the open medical services. A purpose of this is to bring about a co-operation with the social welfare services. In some places this co-operation with the social welfare

services has already been brought about. To arrange common courses for further training is an important means in bringing about a change in working methods and attitudes.

3.3 High cost of health and sick care and social welfare

It is estimated that in 1976 the state, counties and municipalities together will spend about 74 billion Sw. crowns for direct social services in a broad sense, or nearly 25 % of the Swedish gross national product. Of this total, about 18 billion goes for health and sick care operating expenses, about 16 billion for payments under the health, parental and dental insurance programs, and nearly 8 billion to support the municipal social welfare services which are aimed primarily at children, the handicapped and the elderly.

About 450 000 people, or 11-12 % of all employees in the country, work in the health, medical and welfare sectors of the society. This figure includes about 14 000 doctors and 40 000 nurses. Many women are employed part-time, both in the social welfare services and in the medical care.

The major portion of health and sick care and welfare costs is financed through taxation. Disbursements under the health, parental and dental insurance programs, however, are financed mainly through insurance fees. Today these fees are paid almost entirely by employers.

3.4 Need as the decisive factor

The Swedish hospitals currently "produce" about 32 million days of patient care per year, relatively evenly divided among the areas of acute somatic care, long-term sick care, and psychiatric care. Moreover, there are about 22 million visits annually to the various types of out-patient clinics. A good half of all hospital care and a fifth of all out-patient visits involve people over 65. Medical care is sought somewhat more by women than by men, and somewhat more by people in lower socio-economic groups than in higher ones.

During the last decade a number of studies have been conducted about the utilization by different population sub-groups of medical and welfare services. In any case these studies indicate that health and sick care - more than is probalby true for any other socio-political activity - adheres to the principle that resources are to be available according to need only and irrespective of income level, reason for illness, earlier fees paid, or status in the labour market.

Many factors have contributed to the prevalence of the need principle in the area of health and sick care. The society's medical services are an almost entirely free commodity, disengaged from the power and play of the open market. The obligatory health insurance covers both illness-related expenses and income losses during periods of illness, thereby eliminating economic factors as a reason for not seeking medical care. Moreover, medical research - perhaps more than any other branch of research - is strictly oriented toward need rather than profitability. All that has been said here about medical care concerns to the same degree maternal and child care, which is entirely free of charge.

Even if health and sick care is one area where the goal of equality is to a very great extent realized, still there are certain limitations that can be discussed. One can, for example, say that those people living outside densely populated areas (equivalent to large and medium-size towns) normally have greater difficulty getting their medical needs satisfied. Moreover, it is still often the case with the care of alcohol misusers that those at the higher socio-economic levels use the medical care to a greater extent than the others who are taken care of at clinics and institutions belonging to the welfare system. Corresponding conditions probably applies to a substantial part of pshychiatric care.

To how great an extent the remaining inequalities within the medical and welfare systems are primarily a symptom on deficiencies in other segments of society - such as the labour market, housing conditions, family life or education - is not clear. Nevertheless,

it is obvious that certain groups of people turn to or are directed to medical and welfare services because other sectors of society function defectively and are guided by other principles than fairness and equality.

3.5 The pension system and equality

As has been mentioned above, about half of all medical and welfare resources serve people over 65. About 16 % of the total population, or 1 1/4 million people, are past 65. At least as crucial to these people as the medical and welfare systems is the Swedish pension system.

The general retirement age in Sweden as of July 1976 has been lowered from 67 to 65 years. When a person reaches retirement age, he receives - irrespective of need or income - an old-age pension which in 1976 comes to about 800 crowns per month for a single person and about 1 300 per month for a married couple. If a person has little or no other income besides this pension, then he is entitled to an extra payment which is 25 % of the basic amount. In addition the municipality in which he lives pays him a housing supplement which normally covers all or nearly all actual housing costs. Old-age pension payments are index-regulated, i.e. they follow the general trend of prices as reflected in the consumer price index.

Besides the national old-age pension, a general supplementary pension, called ATP, was added in 1960. The amount of this supplement depends on the income a person has earned before retirement, and is also index-regulated. In general, the old-age and supplementary pensions together come to about 65 % of former earnings. Both types of pensions can with certain reductions be collected from the age of 60. On the other hand, if a person continues working beyond 65, the postponed pensions increase up to the age of 70. Through the new pension reform it will be possible between ages 60 and 65 to combine part-time work with a "partial pension" almost without any reductions, even after reaching retirement age.

In connection with the pension system, there are also provisions

for <u>early retirement</u> for those with a prolonged illness or handicap. People completely unable to work can receive an early retirement pension - or a more temporary sickness allowance - corresponding in amount to the pension they would have received if they had continued working with no change in income until the normal retirement age. Early retirement pensions and temporary sickness allowances go to about 300 000 people. Finally, <u>family pensions</u> are also paid out under the pension system to widows and children under 19. Women widowed before the age of 50 and without minor children receive a reduced family pension or - if widowed before 35 - no pension at all.

As of 1976, old-age pensions and housing supplements together will amount to 18½ billion crowns and supplementary pensions nearly to 7 billion. If one considers that pension payments have risen somewhat more than wages during the 1960's and 1970's, that the number of pensioners has at the same time increased sharply, and that health and sick care and municipal welfare services have also expanded - particularly for the elderly - then one must conclude that the social policy for pensioners has had a marked equalizing effect. That is true not only if one looks at the situation among pensioners themselves, but also if one compares pensioners with other population groups.

Chapter 4 Education as a tool for promoting equality

by Annika Baude, National Board of Health and Welfare

4.1 Planning and reforms

When the Social Democratic Labour Party came to power in the 1930's, priority was given to those measures which increased employment. Only in this way, it was thought, could the resources be produced which were needed to reform social and educational policy.

An educational policy for the coming decades was established in the late 1940's. Emphasis was primarily on expanding education for the young. There were two main goals: first, to increase equality by giving all children, regardless of their parents' economic situation, social circumstances and place of residence, and also regardless of sex, the same educational opportunities; and second, to influence the way in which society functions by strengthening democracy through education.

During the 1950's and 1960's an obligatory 9-year basic comprehensive school (grundskola) was established. Provisions for schooling was made the same for all students, and choices about further education or training were deferred until the completion of this basic school. The hope was that as a result of these reforms students would make their future study and professional plans largely irrespective of family background.

The educational system beyond the basic school level was also expanded during the late 1960's so that almost all young people would be able to continue on to a two- or three-year gymnasium, or upper secondary school, course. About 95 % of an age group can today be admitted to upper secondary school. Also universities and other institutions for higher education were expanded, making it possible for about 25 % of all the youth in a given age group to be admitted.

All education was made free. The system of giving financial aid to students was improved, especially at the university

level, so that no one with the desire and ability to continue his studies would be prevented from doing so for economic reason. At the upper secondary level, the theoretical and practical lines of study were both located in the same places and if possible on the same premises in order to offer a comprehensive program to all students. Gradually also those pursuing a practical line of study were permitted to continue on to a university or professional college (högskola).

4.2 Education and equality

Have the expectations for achieving greater equality by placing an enormous emphasis on the education of the young been fulfilled? Certainly no simple answer can be given. Among other things, it is difficult to judge the value, from the viewpoint of equality, of raising the general standard of schooling from 6 or 7 to 9 years. If one considers the effects of increasing the access to education at the upper secondary school and university levels, then the statistics are to some extent disappointing. The family background is reflected both with regard to results and level of ambition. However, one can state that access to education is now geographically widespread, and also that educational disparities between the sexes have almost completely disappeared.

Despite the consistent emphasis on the individual's self-fulfillment, the educational reforms have not yet led to any obvious social levelling among the young. Studies have shown that the main effect of broadening and expanding educational opportunities and eliminating certain barriers to contunied study is that children of the middle and upper classes are the first to take advantage of these new opportunities. It is the already privileged who become further privileged. Fortunately, according to Swedish research studies, a corresponding improvement has occurred little by little even for the least privileged groups. There is a time lag, however, before the "lower" social groups begin to take advantage of new educational opportunities.

Girls, as well as young people as a whole, have considerably raised their educational level, but their concentration on those professions traditionally dominated by women has not changed despite the fact that all instruction during the basic school period is identical for boys and girls.

About the same time that these educational reforms were fully implemented throughout the country, it became apparent that such measures were not adequate to narrow the gap between different population groups. The Social Democratic Labour Party issued a report at its 1969 Congress in which the problems of equality were examined in depth. When it came to education, three areas were designated for increased attention: preschool, the functioning of the basic school, and adult education. The recommendations in this report have provided guidance for forther progress.

4.3 Preschool

The preschool program has been given the highest priority, in terms of allocation of resources, through actions taken by the government and parliament in recent years. Legislation giving all six-year-old children the legal right to three hours a day of preschool has been in effect since 1975. Those children who for physical, psychological, social, linquistic or geographical reasons require special support or stimulation for their development are to have places in preschools at an earlier age. In conjunction with the program of child health care, which reaches all families, the municipal social welfare board is given the responsibility for casefinding activities in order to reach children who need to enter preschool before age of six.

An important reason for increasing the number of preschool places is that today the majority of all mothers of preschool-age children have some form of paid employment. The number of places in full-day preschools for children whose parents work or study is to be doubled over the next 5 years.

The overall goal of the preschool program includes the same two aspects - the individual and the social - as does the basic school program:

- The preschool should strive, in cooperation with the parents, to offer each child the best possible conditions for the rich and varied development of his emotional and intellectual potential.
- The preschool can thereby lay the foundation for the child's development into an open-minded, considerate person capable of insight and co-operation with others and able to rely on his own judgment and solutions to problems.
- The preschool should provide the basis for each child to seek and use knowledge for improving both his own and others' living conditions.

4.4 The functioning of the basic school

An intensive effort at reform is taking place with respect to how the basic school functions. The goal existing since the establishment of the basic school - that the school shall advance the student's development in all espects - has not needed to be changed. Rather, the reforms concern the implementation of this broad vision of the school's responsibility which characterizes the Swedish school system.

An effort is being made to counteract the high value placed on intellectual achievements, which is a mark of modern industrial society and which can be very hard on certain students, by expanding other activities in the school. Also the long period of time devoted to education cuts off young people from the values and conditions of the working world. One way of making school life less traditionally efficiency oriented is to try and bring the school and the society closer to one another by opening up the school to other groups, as for example contacts with youth clubs, trade unions etc. The school is being developed in various ways as a center for leisure and cultural activities and for adult education.

The free time of school children has become a matter of considerable interest. All children are to have opportunities for after-school activities. Younger children whose parents work or study require supervision and a special place, in the school or elsewhere, where they can go and relax.

School work is to a large extent planned step by step by the teachers working in cooperation with each other and with the students as well. Grades are given less and less frequently in order to eliminate competition which in many cases is detrimental to the overall goals of basic school. It is increasingly being felt the grading is one of greatest obstacles in developing a school that adapts to the individual child instead of trying to change the child in order to fit the traditional school. By taking away the grades education can be more meaningful for more students so that it becomes a lever in the process of democratization.

4.5 Adult education

When education for the young was extended, the educational gap between the younger and the older generations widened. Over half of all adults working today have had only six years or so of school.

Various efforts are being made to give adults the chance for more education. Year by year, schools have increased the number of adults admitted. Both upper secondary schools and universities are arranged in such a way that employed people can combine work and study. Formal entrance requirements have been dropped from many university programs. Legislation has been enacted that gives people the right to time off from their jobs for study. One result of all this is that the proportion of adults studying at institutions of higher education har risen substantially. Nevertheless, it must be said that the same tendency which characterizes young people's exploitation of educational opportunities also applies to adults at both

the upper secondary and post-upper secondary levels. Up to now it has been those who have a good education who have generally made the greatest use of the expanded opportunities for adult study.

Since the 1950's, people who are unemployed have been given the chance for paid training arranged by the Labour Market Administration. This training constitutes an important part of employment policy. Indeed, training for the unemployed has been the most levelling aspect of adult education viewed as a whole.

This year's session of parliament has given still further attention to educational opportunities for adults. The goal of equality is clearly at the heart of a new program which provides grants of about 90 Sw. crowns a day, or 18 Sw. crowns an hour, to adults with very little education who wish to study. Furthermore, in an effort to stimulate those with little motivation to study, activities are organized at work for the purpose of seeking out and encouraging such people. Attempts at this have already been made, with favourable results. Union representatives are given the chance during paid work time to contact and inform others about study opportunities and to help see to it that they are carried through.

4.6 Higher education

Also the recently approved higher education reform, which is concerned with all education above the upper secondary level, is marked by the struggle to increase real equality. This means that universities and colleges are to be open to groups not previously admitted. Formal qualifications are to become less important, and work experience will count for more than school grades. Earlier try-out programs have shown this to be quite successful. Another change is that such institutions are not to operate cut off from the rest of society but are to be governed by boards that include representatives from laymen, officials, students and teachers.

A loosening up of the boundaries both between the upper secondary schools and the institutions of higher educations, and also between education and employment, seems to be the next step

in educational policy. The goal is an education composed of stages, where each stage forms a complete unit leading to a profession. Subsequent stages provide more in-depth knowledge within the same subject area. Such step-by-step training has been tried out in the training of preschool teachers program and will probably be adopted more generally in accordance with a recommendation from a parliamentary committee. This educational recommendation is built upon the liberalized pedagogic principles now followed in preschools and is an important step toward reforming the methods used at all levels of education.

This pedagogy, based on the idea of a dialogue between the teacher and the pupil, is charaterized by a reciprocal respect. It reminds one of the methods used in study circles or seminars for adults. If the ordinary school system, as well as the teachers training programs, would introduce the dialogue pedagogical method, the school might in the future to a higher degree, promote the total personal development of the child - the pupil - than we manage to do today. A prerequisite for equality among people is that educational methods support the development of the entire personality.

Chapter 5 Housing policy

by Willy Karlsson, National Board of Health and Welfare

5.1 Goals

The state's housing policy before 1940 was limited for the most part to giving assistance to especially needy citizens. During the 1940's, however, housing policy was broadened. The economic strains during World War II led to a decline in the production of housing, so that special measures to stimulate production and counteract unreasonable rent increases became necessary. This was the beginning of a development which little by little led to society's gaining more or less complete control over housing construction and the housing market.

The government's decisions during the 1940's gave housing policy a social orientation which still serves as a guide to action. The short-term aim was to end the prevalent housing shortage. In the long run, the quality of housing was also to be improved. Important goals at that time included raising size standards to alleviate over-crowding, promoting the development of better household equipment, and giving society control over housing costs. In 1942 rent control was put into effect, which meant that rents were frozen at the level then current. Thereafter, rents could be raised only after a decision by the state and only in keeping with changes in operating costs. Rents in new units were established on the basis of production costs.

The basic goals for housing policy that were formulated in the 1940's have persisted, but the means of implementing that policy have gradually been adapted to changing conditions. Particularly in the late 1960's, comprehensive reforms were enacted in such housing policy areas as rent control, land use and housing subsidies to families with children. In 1967 the overall goal of the country's housing policy was stated thus:

> All people shall be provided with wholesome, spacious, well-planned and adequately equipped housing of good quality at a reasonable cost.

5.2 Implementation

Both the state and the municipalities play a role in implementing society's housing policy. Each year parliament establishes a housing construction plan for the coming three years. This plan specifies how much of the society's resources, in the government's view, ought to be allotted for state housing loans. Municipalities through their planning process are responsible for seeing to it that housing construction is adequate, and that a suitable balance is maintained among the various forms of disposal. Each year the municipalities are to draw up and give an account of a housing construction program.

In order for municipalities to have a real influence over housing construction, they must have control over the land where housing is to be built. Municipalities, therefore, have the opportunity to obtain special credits for land acquisition. Moreover, there is a special law giving municipalities the first option on land, which means that a municipality can step into a buyer's place whenever an agreement regarding a real estate purchase has been reached. Municipalities can also, by means of a court procedure, expropriate land needed for urgent public purposes.

The state makes loans for the building, re-building and improvement of housing. Moreover, there are special loans and grants available for special types of housing and special categories of citizens. Thus, home improvement loans can be made to municipalities, and also to people over 60, the handicapped, people pensioned early, Lapps and gypsies. Individual support to single persons and to those with limited economic resources is furnished by both the state and municipalities.

Rent control, which came into effect in the early 1940's, has gradually been eliminated. Rents are now established primarily through negotiations between property owners or property owners' associations and tenant associations. The rent agreed upon may not exceed the apartment's "utilization value". If the parties

cannot agree, the rent is set by the local rent board. Tenants have the right at any time to request an investigation by the rent board and the property court. If the rent is judged to be unreasonable, it is decreased to a reasonable amount. In principle, the costs of capital, maintenance and operation no longer play a role in determining rents.

The formulation of tax regulations is not normally considered a part of housing policy. Nevertheless, tax regulations do have a great effect on a household's housing costs. Since the 1950's, "income" from one- and two-family houses has in general been calculated using a "standard method". The same method is applied to income from property belonging to non-profit housing companies and co-operative societies. What this standard method means is that a share of the property's tax value is ragarded as revenue from the property. From this revenue, deductions can be made for such items as interest costs and site leaseholdership rent. If there is a profit from the property, it is taxed as income. If there is a deficit, it is substracted from other income and so decreases the total income tax to be paid. Normally, single-family properties show a large deficit, which is why owners of such properties are usually able to reduce their income tax in this way.

5.3 Housing policy and equality

An important objective of the housing policy that has been pursued has been to improve the conditions of the worst-off members of society and thereby to have an equalizing effect. In many respects this policy has been successful. The housing shortage has been succeeded by an over-supply. The number of people living in houses or apartments lacking modern conveniences has decreased by about one million during the past ten years, and the number of over-crowded households has decreased by nearly half a million.

Nevertheless, a million or so citizens continue to live in apartments lacking adequate modern conveniences, and there

are still about a quarter of a million households that are over-crowded, i.e. with more than two people per room, not counting the kitchen and living room.

Thus, there is still considerable need for improvement in the housing situation. Above all this means giving economically weak groups the support they require so that differences in living standards among various households can be kept within reasonable limits.

Despite the short-comings that continue to exist in the available housing supply, it can be said that the goal for housing policy set forth in 1967 is now within reach. At the same time, it must also be said that the country's housing problems will not be solved once this goal is reached.

During recent years the need to take a much broader view of the housing situation has become more and more apparent. The effort to guarantee an adequate supply of decent housing and to place decent housing within the economic reach of all people cannot be viewed in isolation. Instead, this effort must be co-ordinated with other measures involving both the physical surroundings and the social relationships in residential areas. An essential requirement in this connection is to create the physical and economic conditions that lead to a fully diversified population structure in residential areas.

5.4 New residential areas and segregation

The extensive population shifts which have occurred during the last decades have led above all to a great expansion of urban areas. New production of housing in these areas has to a great extent been confined to large housing units. Since moving into new areas often have taken place during a very limited time period, such areas have acquired a one-sided age composition. In many areas, families with children predominate while older age-groups are almost entirely absent. The production methods used have also meant that many large areas consist either of multi-family buildnings with rental or co-operative units, or

of one-family houses which are owned by those living in them. Since tax regulations make it advantageous for those with high incomes to own and live in their own houses, single-family residential areas are characterized by a one-sided socio-economic population structure. At the same time, many residential areas with multi-family buildings have become low-status neighborhoods where people with social problems are often found. A number of studies show that known alcoholism and crime among youths is more frequent in low-status than in high-status areas. Such behaviour puts strains not only on the individuals involved but also on the whole neighborhood. People in low-status areas must therefore bear a disproportionately large share of the burdens which social disturbances bring with them.

Many housing areas, then, are characterized by a significant pattern of segregation. The main cause of such segregation is the economic inequality which continues to exist in Swedish society. As has already been mentioned, these segregation patterns are strengthened when the housing supply in a given area is onesided with regard to the types of houses and apartments and to the forms of tenure. Added to this is the fact that low-status areas often have a shortage of activities and services of various kinds. A program for solving these problems must include measures which lie outside the traditional realm of housing policy. The most critical tasks for housing policy in the next ten years, according to a recently published government report, are

> to improve the housing environment with respect to both the physical conditions and the social context, and in this way to break up segregation patterns
>
> to give families with children and other households with weak buying power a better chance to demand spacious and well-equipped apartments, thereby bringing about a more equal distribution of decent housing
>
> to give tenants greater influence over their own housing situation

to make the economic conditions of tenants equivalent regardless of the terms under which the units are occupied

to maintain a housing market with an adequate supply of apartments at reasonable prices.

Chapter 6 Taxation

by Per Holmberg, Graduate School of Social Work and Public Administration in Stockholm

In the last 40 years redistribution policy in Sweden has been characterized by actions on many fronts, of which taxation is only one. It must be emphasized at the outset that redistribution by means of taxation without strong support from other redistribution measures may be meaningless and sometimes also counterproductive. Taxation is an instrument for redistribution in two ways. Taxation reduces the differentials within the population in terms of disposable income and wealth. At the same time taxation creates opportunities for increased socio-economic public actions, which may be favourable especially to population groups with limited resources.

6.1 Three main branches in the taxation system

The public sector in Sweden can be divided into three branches: the state, the municipalities (23 counties, 278 "local"municipalities) and the social insurance system. In 1975 citizens paid taxes, fees and social insurance contributions as follows:

71.0 billion Sw. crowns to the state, of which 17.5 were transferred to the municipalities and 14.6 to the social insurance system as government grants

47.0 billion Sw. crowns to the municipalities, of which 1.3 were transferred to the social insurance system as municipal grants

25.3 billion Sw. crowns to the social insurance system.

These three sums together correspond to 51 % of the Swedish gross national product (GNP). One-third of this total went back to the citizens as social transfer payments in cash and two-thirds was used for public consumption and investments. Since the early 1950's the municipal taxes have increased much faster than the state taxes, and the government's grants to the municipalities have also expanded - especially in favour of the poor municipalities.

In the same period the social insurance system has also expanded very rapidly, especially the compulsory pension schemes. The contributions to the system from the insured individuals have been proportionately decreased in successive stages. From 1976 the contribution from employees will be completely shifted over to the employers.

The state's revenue in 1975 came to almost 40 % from direct taxes on income and wealth and just over 60 % from indirect taxes, profits from public enterprises and various fees. The corresponding proportions for the municipalities were 70 % and 30 % respectively. Thus, if the social insurance system is excluded, about 50 % of the entire public revenue is now financed by means of direct taxes. That proportion has successively increased in the last decades.

The direct taxes are dominated by yearly taxation of the incomes of individuals and business corporations. The tax scale of the state is strongly progressive (see below); the tax scale of the municipalities is weakly progressive. Among the indirect taxes, the general value-added tax - at present with a rate of about 16 % - represents the biggest single source of revenue, although taxes on alcohol, tobacco, automobiles and energy give the state almost as much revenue as the value-added tax. The indirect taxes as such seem to influence the welfare distribution in a regressive way. However, that effect is to a certain extent counterbalanced by the fact that since 1972 the price-level of the most essential foods has been kept down by means of government grants - at a cost now corresponding to about one-fourth of the total revenue from the general value-added tax.

6.2 Wealth and property - distrubition and taxation

The latest estimations of Sweden's "national wealth" in terms of physical assets indicate that the public sector in 1970 owned about 33 % of all those assets (excl. consumer durable goods other than housing). This proportion may be compared with a

corresponding figure of about 20 % in 1950. If the assets of producers', consumers' and housing co-operative enterprises, which play a proportionately bigger role in Sweden than in most other western countries, are added to the public sector, then the "collectively owned" sector accounts for approximately 40 % of the national wealth and property.

Thus, about 60 % of Sweden's real assets are at present owned by individuals directly or indirectly through joint stock companies. About every second household lacks other kinds of wealth and property than durable consumer goods. Approximately 5 % of the households, whose private wealth and property exceeds the present lower limit for taxable assets (150 000 Sw. crowns), own about 50 % of all households' wealth and property. According to a survey in 1968 this concentration in wealth and property ownership has not decreased since World War II.

Private wealth and property is taxed partly through an annual tax on taxable assets, partly through taxes when assets are sold or inherited. The 1974 scale for the annual wealth and property tax, which that year gave the state a revenue of about 650 million Sw. crowns, was as follows

net assets (after deduction for debts) in the range	are taxed in per cent
0 - 150 000 Sw. crowns	0
150 000 - 250 000 " "	1
250 000 - 400 000 " "	1.5
400 000 - 1 000 000 Sw. crowns	2
over 1 000 000 " "	2.5

When assets in land, housing and shares in joint stock companies are sold, the current tax rate on those transactions is 1 %. This tax gives the state a revenue of about 400 million Sw. crowns a year. The tax on inherited or "given" assets is determined by rather complicated tables according to the kind of family relationships involved. In 1974 this tax gave the state a revenue of about 300 million Sw. crowns.

In sum, wealth and property taxation now yields a state revenue of 1 350 million Sw. crowns a year. This is 2 - 3 % of the entire state taxation in the country.

6.3 Taxation, savings and investments

During the last decades many proposals for higher taxation of wealth and property have been presented and debated. The arguments have regularly been based on redistribution considerations. Primarily because of expected negative effects on saving, investment and employment in the country, however, the proposals have up to now been rejected.

In practice, the alternative to higher taxation in order to equalize wealth and property distribution has been to increase successively the publicly and co-operatively owned sector. For that reason, new legislation in the last few years has decreased the proportion of the very big social insurance funds that can be placed in shares of joint stock companies. Furthermore, the government manufacturing sector will in the near future expand, especially in the north of Sweden where unemployment problems are still rather acute.

Of some importance to the distribution of wealth and property in the society are the taxation norms applied to savings and yields of capital assets. The main norm in Sweden is that saved income will not be favoured within the frame work of income taxation. Further, the yields of capital assets shall be added to other sources of incomes for tax purposes. However, an exception to those norms has traditionally existed for entrepreneurs and joint stock companies, which are allowed to deduct appreciations of investments from their taxable surplus in a very generous way.

A logical counter-part to these generous norms is the relatively high taxation of the profits of joint stock companies, if the profits are distrubuted to the stock owners instead of being plowed back into the enterprise. Distributed company profits are

taxed twice. First the company is taxed 54 %, and second, the distributed profits are added to the share-holders' other income in calculating their income taxation. From the owners' viewpoint, this high taxation is counterbalanced by their less highly taxed wealth increase. From the political institutions' viewpoint, the argument is that the taxation system stimulates investment in private enterprises and consequently improves the employment situation in general.

6.4 Income distribution and taxation

The Swedish income distribution policy has been analyzed to an increasing extent during the last ten years. According to these analyses, the income differentials - before taxation and social transfer income - increased during the 1950's and decreased during the 1960's. Since the late 1960's the differentials have continued to decrease. Around 1950 the best situated fifth of the population aged 20 - 66 had 53 - 54 % of the entire income sum in that age group; the corresponding proportion in the early 1970's was 48 - 49 %.

The calculations mentioned are based on the incomes declared by the income-takers in connection with the yearly income taxation process. There are a lot of reasons to be sceptical about the reliability of that basic statistical material. However, the differentials in the usually undeclared and untaxable "fringe benefits" for various groups of employees seem to have been reduced because of the expansion in the compulsory social insurance system. When consideration is given also to age groups over 66, whose proportion of the total population has successively increased and whose relative income-level has improved because of the expanded social insurance system, the income differentials after World War II have been reduced still more. Other main factors behind the reduced income differentials (before taxation) include the strongly increased labour market participation of married women and the "solidarity wage policy" of the Swedish trade union movement.

Income taxation in Sweden, according to the statistical analysis made, reduced income differentials by about 35 % in 1970. The degree of "income span reduction" is now somewhat higher than ten and twenty years ago, when the corresponding figure was 28 - 29 %. Thus, the income dispersion after taxation has decreased a little more than the income dispersion before taxation.

Technically, the present income taxation process starts with the yearly individual declaration of earned income from employment, capital, real estate, trades and professions etc. This includes profits from selling real estate, shares in joint stock companies and the like. From this gross income, deductions are made for expenditures because of "acquiring the income" (work travels, own work tools, work clothes), interest on debts, net loss on source of income and private transfers to relatives outside the home. If income after those deductions is 30 000 Sw. crowns or below, a basic deduction of 4 500 Sw. crowns is made to get the taxable income; this deduction is successively reduced up to a net income of 52 500 Sw. crowns, where it then disappears.

The national (state) income tax is calculated on the basis of the taxable income accoridng to a progressive scale common to the whole country and independent of civil status, sex, existance of children etc. The municipal income tax is calculated as a percentage of taxable income, with the proportion varying among municipalities. For single parents with children below 16 and for married income-takers with a wife or husband without income, the national tax is reduced by an amount of 1 800 Sw. crowns. The existence of children does not affect the taxation more than this; in 1948 earlier child deductions were replaced by general child allowances (1976 = 1 800 Sw. crowns per child per year) and by income-tested housing allowances from the state.

The structure of the individual income tax in the year 1975 is

given in this table:

income, crowns/year (before basic deductions)	number of incometakers in thousands	state tax per cent	munic. tax (average) per cent
15 000 [1]	1 700	3	17
20 000	600	4	19
30 000	1 100	7	21
40 000 [2]	1 000	12	22
50 000	500	16	23
60 000	300	20	23
75 000	200	24	23
100 000 [3]	150	30	24
200 000	35	42	24
(over 200 000	15)		

1) the basic (minimum) pension plus housing allowance was about 12 000 - 13 000 Sw. crowns in 1975

2) the average income for an adult manufacturing worker with full-time and full-year employment was about 40 000 Sw. crowns

3) the normal annual salary for a university professor in 1975 was a little less than 100 000 Sw. crowns.

6.5 A final comment

It is unquestionable that the Swedish income taxation has equalizing effects - and to a much higher extent than the wealth and property taxation. To a certain degree that equalizing effect is neutralized by the indirect taxes. However, a still more important problem in this connection concerns the distribution of public expenditures to various population groups. This problem area has not been described here at all, but a recent analysis indicates that taxation equalizes more than public expenditures do. According to the same analysis the dispersion of employment opportunities is the most decisive background factor behind individual and household income differentials - and that fact reveals that the most important policy action area in connection with redistribution must concern the labour market conditions.

Chapter 7 Immigration - An example of the Swedish policy of equality

by Stig Lundström, The Swedish Red Cross and Gunne Bengtson, The National Board of Health and Welfare

7.1 Introduction

Sweden, which from 1840 to 1930 was an emigrant country, has since World War II become an immigrant country. Once a relatively homogeneous land, Sweden is today a culturally diversified society. From 1944 to 1970 immigration accounted for a net population increase of 640 000, which corresponds roughly to 40 % of the total population increase during that period. It is estimated that by the year 2000 the number of inhabitants of non-Swedish origin will exceed one million.

This great wave of immigration to a relatively small country must be seen in its international context. At present in Western Europe there are 13 million people who live in another country than their native one; 3 million of these are children and youth. To this figure must be added about 2 million seasonal workers or the equivalent.

The reasons for this great migration of people are primarily economic. A labour shortage within the industrial and service sectors of the more affluent countries, combined with an oversupply of labour in those countries where the conversion from an agricultural to an industrial society came relatively late, has had a great influence on migration patterns. By comparison, political upheavals and refugee activities have played only a small part.

Immigration to Sweden to a large extent follows these same patterns A high degree of industrialization and prosperity that by international standards has been relatively stable for a number of years, together with a well-developed social security system, a settled political situation and a liberal immigration policy have made Sweden an attractive country for immigrants. Immigration from the four other Nordic countries has, moreover, been facili-

ated by a common labour market and by Nordic security conventions.

More than 62 % of all immigrants in Sweden come from the Nordic countries, the largest number from Finland (183 000). Another 19 % come from Mediterranean countries, 13 % from other European countries, and only 6 % from outside Europe. The largest European immigrant group come from Yugoslavia (41 000) and the largest non-European group from Turkey (6 000).

Primarily because of immigration, there are now a number of language and ethnic minorities in Sweden. Such groups existed to only a very small extent earlier. One can mention the Lapps, and also the Finns in Tornedalen, both living in northern Sweden.

Immigration has gradually resulted in an increased awareness of the problems which it raises and has little by little made necessary a more purposeful immigration policy in Sweden.

7.2 Immigration policy - objectives

It was first during the 1960's that the need to determine the particular objectives of immigration policy became clear. Before that it had seemed rather obvious, on the basis of general political considerations, that immigrants in principle should receive the same advantages as Swedish citizens and also that legally and socially they should be treated according to Swedish norms. Rather soon, however, it became apparent that this was inadequate as a guiding principle for immigration policy. As immigration increased, the consequences of cultural conflicts and other problems became more and more noticeable.

In 1966 a special working group was established by the Government with the task of considering the social and cultural situation of immigrants in Sweden. In 1968, parliament adopted certain guiding principles for Swedish immigration policy. Emphasis was placed on the need to control immigration with a view to maintaining the equillibrium of the Swedish labour market, and holding immigration at such a level that immigrants were guaranteed the same

living standard as the rest of the population. That same year a parliamentary commission was established to work out a basic foundation for making theoretical and practical decisions. The commission has issued three reports: one in 1971 concerning the educational situation of immigrants, another in 1972 concerning interpretation services, and the last in 1974 containing more general recommendations for future policy.

On the basis of the final report from the Commission, Parliament in May 1975 adopted some overall objectives for immigration policy. The starting point for these is the persistent belief that if immigrants are to enjoy the same economic and social conditions as the rest of the population, then immigration must continue to be controlled. Unregulated immigration also leads to conflict with the goals of the labour market policy.

Measures intended to protect the interests of immigrants and language minorities are to be based on the three goals of equality, freedom of choice and partnership.

Equality means continuing the struggle to assure that immigrants have the same opportunities, rights and duties as others. Under this goal are included measures concerning culture and language.

Freedom of choice means that linguistic minorities must be able to decide for themselves to what extent they wish to maintain and develop their native identity.

Partnership means mutual and solidary co-operation between immigrants and others. If this goal is to be reached, immigrants must be given greater opportunities to participate in political activities and must also have greater scope for their own cultural activities.

These overall goals have provided the basis for the current reform of relevant legislation and for a number of initiatives of other sorts.

7.3 Immigration regulations

In 1954 a common Nordic labour market was established. Since then, citizens of the four other Nordic countries have been able to take up residence in Sweden without any formalities. In 1973, however, Sweden and Finland agreed that they would try to channel the migration of workers between the two countries through the ordinary employment offices in each country.

All citizens of non-Nordic countries must have a job, a work permit and a place to live arranged before coming to Sweden. This regulation is not absolute but can be waived in certain cases, as for example when a close relative wishes to join an immigrant already in Sweden. Special regulations apply to political refugees.

During 1969 - 1975 it has been possible for immigrants to obtain a permanent residence permit after living in Sweden for two years (earlier the waiting period was five years). From 1976 the permanent residence permit can be obtained already after one year. A work permit is valid for all jobs after one year. Questions involving residence permits and other such matters are handled by the National Immigration and Naturalization Board which was established in 1969.

7.4 Immigrants in the labour market, their social security

About 200 000 foreign citizens are employed in Sweden. This accounts for about 5 % of the country's entire work force. About 60 % of this group work in industry and about 16 % in the service sector.

Foreign employees, for the most part, have the same working conditions as Swedish citizens. Most of them belong to a union and their salaries are regulated by the collective agreements which apply to all workers.

The unemployment insurance system applies to foreigners after a certain waiting period. Should a foreign worker become unemployed during this waiting period, the state steps in and recompenses

any losses.

In principle there is no difference between immigrants and Swedish citizens when it comes to the social security system. After residing a specified length of time in the country, an immigrant is entitled to all the same social benefits as a Swedish citizen, including medical benefits and hospital care. The only exception involves pension provisions. Even in this area, greater equality is gradually being achieved through a series of agreements with other countries.

7.5 Education

There are over 63 000 immigrant children in Swedish schools. Studies have shown that children who do not have the opportunity to develope skill in using their own language and who are taught another language in school are exposed to great intellectual and emotional stresses. Their overall development can be seriously disturbed. Moreover, children who change languages at an early age can encounter very serious conflicts at home. It has also been shown that children with a good understanding of how their native language functions find it easier to learn a second language

These insights have led to a special education policy regarding immigrant children. Since 1968, such children have been entitled to special training not only in Swedish but also in their native language during school time. Parliament has recently stated the opinion that this instruction should not only emphasize language but should also be directed toward familiarizing children with their native culture as well. A special working group has been established to make suggestions about how this can be carried out. The educational goal is not to make immigrant children Swedish, but to give them opportunities to benefit from both Swedish culture and their native culture. This process also contributes to the enrichment and evolution of Swedish culture.

A number of measures have also been adopted to help adult immigrants. Most important are the gradually expanded opportunities for language learning. Since 1965 all adult immigrants have been

entitled to free instruction in the Swedish language through various educational organizations. Recently a law was passed giving immigrant employees the right to as much as 240 hours of paid time for learning Swedish.

Despite all these efforts, there still exist groups of immigrants who have not had the chance to learn Swedish. It has been especially difficult for women with small children to take part in language classes. The reasons for this are many and somewhat complex, but one reason has certainly been the difficulty of arranging child care. There is now an effort underway to make such care available in connection with language classes so that more women can participate.

In Sweden it is considered extremly important that all immigrants be given the chance to learn as much Swedish as they need to get along in daily life. This has a greater significance than was once believed. Isolation because of language often has far-reaching social consequences.

7.6 Information, cultural activities, voting rights

Even with steadily improved language instruction and other efforts of a similar sort, immigrants continue to need more and better information of all kinds. Such information, to be meaningful, must be available in the immigrant's native language and must be related to earlier experience and knowledge. It is one thing to be able to manage daily life fairly well in a new society, and another thing to understand the context and background for all that is taking place in that society. Such an understanding is necessary if there is to be good co-operation among the various immigrant groups themselves and also between immigrants and Swedes.

In 1967 the first municipal information center for immigrants was established. Since then about 50 municipalities have established such centers. Here individuals have the chance to discuss in their native language both personal and general matters. These

centers also seek to make basic information available in many different languages and to have interpreters available as well. To an increasing extent, there is an effort to employ personnel who can speak two or more languages in such crucial services as preschools, schools, social welfare administration and institutions, insurance offices, hospitals etc.

On the national level, a weekly newspaper for immigrants was started in 1967 with government support. This newspaper gives information in 12 different languages. In addition, a number of immigrant organizations are working in this field, and they now receive government support for some of their activities.

As matters stand now, even large immigrant groups have insufficient opportunities to make use of existing cultural resources and cannot themselves take part to the extent they desire in creative activities. If immigrants get government support in this area, the opportunities for cultural exchanges across the language barrier are increased and cultural life in Sweden is thereby enriched.

Sucy a purpose can hardly be achieved through a single approach. Many different paths must be taken. One way is to use already existing immigrant and Swedish organizations as much as possible. Beyound that, it is possible through special grants to stimulate more cultural activities geared to the needs of immigrants. Thus, for example, the state contributes to the purchase of foreign literature for public libraries. In addition, the translation of works from less common languages is subsidized through special grants.

Radio and television have a special duty to give attention to immigrant activities and to the needs immigrants have for their own programs on both the local and national level. Newsprograms are presented in many languages. Other programs in various immigrant languages - particularly Finnish - have been increasing gradually.

Beginning in 1976 all foreign citizens who have been permanent residents in Sweden for at least three years have the right to vote and to stand for office in municipal elections.

7.7 Concluding comments

Sweden has laid the basis for an immigrant and minority-group policy which among other things is aimed at giving all who live and work in the country, in so far as possible, the same rights and duties and the same opportunities to preserve and enhance their own cultural heritage, language, religion, customs and traditions. Parliament has approved such goal and legislation has been passed which has gradually eliminated the situation of immigrants being treated less favourably than Swedes.

But despite these substantial reforms, there remain a number of unsolved problems. To transform a closed society like the Swedish one to a multi-cultural state where all inhabitants are on an equal footing is a very long-term process. It is important to remember that this process is always mutual. The Swedes, in other words, must adapt themselves to new realities.

Judged by international standards, immigration in Sweden has taken place free of conflict. Open enmity between immigrants and Swedes has not occurred. This is not to say, however, that there are not negative attitudes in the society at large toward immigrants and minorities. In the future even greater stress must be put on revising attitudes among both Swedes and immigrants. Swedish organizations in particular can play a meaningful roll in this context.

If, in tomorrow's society, Swedes and immigrants are to be able to live together, be enriched by each other, and feel respect for each other's personalities, cultures and religions, then immigration must occur in such a way that immigrants and minorities are assured decent housing, secure working conditions, equal access to medical care and social services, a good education and genereous support for cultural activities. Regulated immigration is the

basic foundation for all this, together with the firm repudiation of the policy of using guest-workers which is a common pratice on the European continent.

Another requirement is that co-operation between emigrant and immigrant countries be improved in many areas, not least in the economic one. We must work toward the goal that no person is ever forced to leave his native land for economic, employment, political or religious reasons. In the future it must become as common to discuss the transfer of capital from the more affluent immigrant countries to the less affluent emigrant countries as it is to discuss the regulated transfer of workers when trying to solve problems created by structural changes in emigrant countries.

Chapter 8 Equality - problem of alternatives to and regulation of the market mechanism

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8.1 Summary

The struggle for equality is the subject of this report. The various chapters have dealt with how people in Sweden have discussed, planned and carried out reforms in an effort to come nearer to the goal of a more just and equitable society. Full employment was the first and most obvious step. That goal could be realized within a rather short time-span, but it has required substantial resources to be maintained. An educational policy and a housing policy were both developed as part of the second phase. In these areas people perceived early the need for significant reforms, but they also felt compelled to make lengthy preparations and to wait patiently for the effects of these long-term social investments. Through the medical and social welfare policy a third step was taken to raise the standard of living of those who were the worst off. This implied at the same time a carefully thought out co-ordination of social insurance policy and taxation policy. Security in the matter of medical care and welfare is difficult if not impossible to achieve without a simultaneous economic security.

These economic and social reforms, viewed as a whole, have undoubtedly led to an increase in equality. Most obvious are the direct levelling effects of the policies of medical care, social welfare, social insurance and taxation. The vastly improved position of pensioners deserves particular mention in this context. The most direct equalizing effect of the employment policy occurred during the 1930's and 1940's, when mass unemployment disappeared. Its greatest indirect equalizing effect has been felt from the 1960's on when the labour movement's solidarity wage policy began to be put into action.

The levelling effect of the educational policy has always been

limited. It is true, however, that women in the younger generations have drawn almost even with men in terms of education, and, that the trade union solidarity wage policy has probably been made easier to implement by a rather sharp increase in the supply of well-trained labour power. The housing policy's equalizing effect is more obvious, although it is reduced somewhat by the emergence of residential segregation patterns, especially in newly built areas and larger towns.

8.2 Old and new forms of inequality

The fact that substantial gains in equality have undoubtedly been achieved through the reforms here described does not preclude one from asking whether or not these accomplishments have been adequate to neutralize fully the effects of new social and economic gaps that have appeared in society, or to alleviate new types of social problems such as those which the great wave of immigration since World War II has brought in its wake. Extensive urbanization and connected with this the shifts in the labour market have also caused new problems - or at least caused the old problems to recur in new forms. In this connection one can also mention the great changes in family and household structure that have taken place in Sweden particularly during the 1960's and 1970's.

It can be said then that, at the same time these equalizing economic and social policies were taking effect, certain developments were occurring in society which these policies were neither able nor intended to deal with. Old forms of inequality declined, only to have new ones arise. Old types of insecurity disappeared, only to have new ones appear. Fortunately, the general level of awareness and understanding about deficiencies in equality and security has risen considerably, in part because of improved education and expansion of the mass media.

Three situations shall be discussed here for the purpose of illustrating the limitations of the social policies which have

followed. The first involves the changes in the number of people receiving social assistance during the period following World War II. In the long-term view this number has generally declined with the rising level of employment and the expansion of the social insurance system. Such is the case without exception up to the years 1967-68. Since that time, however, the number of people receiving social assistance has risen to a markedly higher level than earlier, regardless of the labour market situation and of socio-political reforms. This increase can hardly be explained by a sudden more positive attitude among low income groups concerning social assistance than before. Perhaps most of the increase can be explained by the notably steep rise in prices of such indispensable goods and services as food and housing. If so, then changes in consumption patterns and price structure are much more closely intertwined with the policy of equality than was previously believed. These changes can in their turn be correlated with such matters as a new credit policy which has made agricultural and property loans considerably more expensive than before. This example clearly shows how the relationship between social policy and other policies has become increasingly complex.

The second situation involves the fact that many reforms have a levelling effect only or primarily when they are first introduced. The equalizing potential is exhausted immediately instead of continuing. Such was the case, as has been mentioned earlier, with the transition from mass unemployment to full employment. This change unquestionably led to an increase in equality - but once full employment had been reached, then the people who were economically strong benefitted more than those who were economically weak. In a similar way, the introduction of general child allowances in 1948 was definitely of greatest advantage to poorer families. But since the child allowances did not afterward increase nearly as fast as, for example, wage-earners' incomes, economic differences among families

with children, and also between families with and without children, widened. If a reform is to result in equalization not just initially but continuously, then it must be designed with "built-in dynamics". This means in principle that the contents of a reform measure must be made more or less automatically responsive to changes occurring in the society. One way of bringing this about is to have a reform deliberately produce secondary effects, favouring equality, as when the labour market policy was expanded around 1960 to facilitate the implementation of the trade union movement's solidarity wage policy.

The third situation is that security must sometimes be bought at the price of equality. An example of this is the substantial support in state grants, favourable loans and tax advantages which private enterprises have received to an increasing extent, since the end of the 1950's, with a view to counteracting weak economic periods and encouraging the location of production facilities in areas of high unemployment. The concern for full employment has indirectly contributed to the increase in wealth differentials - and even to certain income differentials. This is one of the clearest illustrations of how the goals of security and equality do not always coincide but on the contrary can conflict with each other.

8.3 A strategy for the policy of equality

The three situations discussed above show what sorts of difficulties traditional socio-political "technology" often involves. The more highly developed social policy becomes, the more complicated is its "technology". Nevertheless, it is scarcely on the socio-technological level that the chief problems regarding the policy of equality are to be found. Equality is of course ultimately a matter of policy. This policy can perhaps most simply be stated as relating in part to deliberately shielding most areas of basic social need from current economic market forces, and in part - when this is not possible - to direct these market forces so they work to promote equality. As an

example of the former approach, one can point to substantial segments of the Swedish medical care, welfare and insurance systems, which are screened off from the workings of the economic market. Certain sectors of the labour market, educational, and housing policies exemplify the latter approach, where the market is regulated. A more consistent policy of equality than the one hitherto existing in Sweden must go further in removing basic areas of need from the "free play" of the economic forces.

The importance of such a strategy emerges with particular clarity in the matter of increasing equality among children. As long as local housing market conditions ultimately shape a child's milieu during his growing-up period, and as long as regional branch or occupational labour market conditions strongly affect the economic and socio-psychological situation of a child's parents, and so of the child himself, then all the splendid words about "equal opportunities" remain an illusion. A consistent policy of equality requires that when it comes to housing and jobs, people's living conditions be based not on the market mechanism but on fully conscious criteria that emphasize needs.

In the area of health and sick care, the dominance of the market-forces has already on the whole been ended. That the demand for such care has increased so greatly is explained in part of course by the fact that needs among those with low incomes, which before were not known and not met, have now come into the open and been satisfied. Partly, however, these increased demands can be interpreted as symptoms of an inescapable conflict between a health and sick care policy emphasisizing fairness and a labour market policy emphasizing profitability and achievement. It is urgent that this conflickt be thoroughly studied, as for example by viewing the various demands for sick care and assistance as a symptom of sickness-producing factors in the society. These factors ought to be able to be detected and traced more systematically than they now are. In this way, more emphatic signals and alarms could be given to the rest of

society.

As far as educational policy goes, it is difficult to imagine how it can have pronounced equalizing effects unless the society outside of the school - and in particular the labour market - is characterized by smaller social and economic gaps than currently. It is however essential that the school's role as a compensatory instrument for less advantaged population groups and their children be exploited much more intensively than it is now. In Sweden such a compensatory function has definitely been assigned to the preschool system, but such a function can and should be emphasized at levels beyond that of the preschool as well.